

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Alexandria Division**

BLUE FLAME MEDICAL LLC  
*Plaintiff,*  
v.  
CHAIN BRIDGE BANK, N.A.,  
JOHN J. BROUGH, and  
DAVID M. EVINGER,  
*Defendants.*  

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CHAIN BRIDGE BANK, N.A.  
*Third-Party Plaintiff,*  
v.  
JPMORGAN CHASE BANK, N.A.  
*Third-Party Defendant.*

## **STIPULATION OF UNCONTESTED FACTS**

Pursuant to this Court's September 9, 2020 Order (Dkt. No. 33), as modified by this Court on March 30, 2021 (Dkt. No. 80), Plaintiff Blue Flame Medical LLC; Defendant and Third-Party Plaintiff Chain Bridge Bank, N.A., and Defendants John J. Brough, and David M. Evinger; and Third-Party Defendant JPMorgan Chase Bank, N.A., hereby stipulate and agree that the following facts are admitted and require no proof at trial:

## The Parties

1. The Plaintiff is Blue Flame Medical LLC ("Blue Flame").
2. Michael Gula ("Gula") and John Thomas ("Thomas") are officers of Blue Flame.

3. The Defendants are Chain Bridge Bank, N.A. ("Chain Bridge"), John J. Brough ("Brough"), and David M. Evinger ("Evinger"). Chain Bridge is the Third-Party Plaintiff.
4. Brough and Evinger are officers of Chain Bridge.
5. The Third-Party Defendant is JPMorgan Chase Bank, N.A. ("JPMC").

#### The Transaction Between Blue Flame and California

6. On March 20, 2020, Blue Flame's President, John Thomas ("Thomas") communicated with California State Controller Betty Yee about Blue Flame's potential sale of N95 masks to California.
7. On March 22, 2020, Thomas began discussing a potential sale of N95 masks to California with a representative of California's Department of General Services ("DGS").
8. On March 25, 2020, DGS agreed to purchase 100 million N95 masks from Blue Flame for \$476,000,000, plus \$37,961,000 in state sales tax and \$95,200,000 in estimated shipping costs, for a total order amount of \$609,161,000, and to prepay 75 percent of the total order amount, prior to the delivery of any masks.

#### The Account Opening

9. On March 23, 2020, Blue Flame was incorporated in the State of Delaware.
10. The morning of March 25, 2020, Gula visited his bank, Chain Bridge, and applied to open a business checking account for Blue Flame (the "Account"). Chain Bridge opened the Account later that day and provided Blue Flame wiring instructions and an account-verification letter.

#### Discussions Between Blue Flame and Chain Bridge Regarding the California Agreement

11. On March 25, 2020, at 3:27 p.m. ET, Gula spoke with Heather Schoeppe ("Schoeppe"), a representative of Chain Bridge, and notified her that "the State of California is sending an

unbelievably large wire transfer in the amount of \$450 million” to Blue Flame and requested to be “notified the second it hits our account.”

12. On March 25, 2020, at 4:11 p.m., Maria Cole (“Cole”), another representative of Chain Bridge, emailed Gula to ask “the wire you are waiting for, how much are you expecting and who is the originator,” and Gula replied that Blue Flame was expecting “\$450,000,0000 [sic] from the state of California (not a typo).”

13. On March 25, 2020, at 4:16 p.m. ET, Schoeppe called Gula to ask him “a couple of questions” about the anticipated wire transfer “since it’s such a large size.” Schoeppe asked Gula “what the purpose of the wire is,” and Gula responded that Blue Flame was buying 100 million N95 masks for the State of California from China.

14. On March 25, 2020, at approximately 4:45 p.m. ET, Brough and Evinger called Gula, who conferenced in his friend, Brent Case.

#### The Wire Transfer

15. On March 26, 2020, at 11:21 AM ET, a representative from the California State Treasurer’s Office (STO) originated a wire transfer in the amount of \$456,888,600, for Blue Flame’s benefit, through California’s bank, JPMC (the “Wire Transfer”).

16. At 11:55 AM ET on March 26, 2020, JPMC sent to Chain Bridge a Fedwire message bearing the Fedwire “Type/Subtype Code” “1000.”

17. At 11:57 AM ET on March 26, 2020, Chain Bridge sent a Wire Transfer Notice of Incoming Wire Transfer to Gula reflecting its receipt of the Wire Transfer for Blue Flame as beneficiary.

18. At 12:07PM ET on March 26, 2020, Evinger directed that Chain Bridge place a "hold" on the Wire Transfer.
19. At approximately 12:30PM ET on March 26, 2020, Tim Coffey of JPMC called Chain Bridge and spoke with Mariano Castagnello, and then with Evinger concerning the Wire Transfer.
20. At 12:44PM ET on March 26, 2020, Rakesh Korpai of JPMC called Chain Bridge and spoke with Brough and Evinger concerning the Wire Transfer.
21. At 12:51 PM ET on March 26, 2020, Fee Chang of California's Department of General Services (DGS) returned a 12:19PM ET call that Chain Bridge had placed to DGS's main line, and left Evinger a voicemail regarding the Wire Transfer.
22. At 12:55PM ET on March 26, 2020, Fee Chang of DGS called Chain Bridge and spoke with Brough and Evinger concerning the Wire Transfer.
23. At 1:19PM ET on March 26, 2020, Mark Hariri and Natalie Gonzales of the STO called Chain Bridge and spoke with Brough and Evinger concerning the Wire Transfer.
24. At 1:34PM ET on March 26, 2020, Brough and Evinger called JPMC and spoke with Rakesh Korpai concerning the Wire Transfer.
25. At 1:34PM ET on March 26, 2020, after placing unanswered calls to Chain Bridge, Gula emailed Brough and Evinger, stating "can someone call me asap please."
26. At 1:37PM ET on March 26, 2020, Tim Coffey called Chain Bridge and spoke with Brough and Evinger concerning the Wire Transfer.
27. At 1:56PM ET on March 26, 2020, Brough responded to Gula's 1:34 p.m. email, stating "We received official notice from the sending bank to return the wire. Please resolve directly with the state of California."

28. At 2:04PM ET on March 26, 2020, Natalie Gonzales of the STO called Evinger and left a voicemail.
29. At 2:05PM ET on March 26, 2020, JPMC sent to Chain Bridge a Fedwire message bearing the Fedwire “Type/Subtype Code” “1001.”
30. At 2:34PM ET on March 26, 2020, Evinger returned Natalie Gonzales’s call, and they spoke.
31. At 2:36PM ET on March 26, 2020, Brough directed Chain Bridge personnel to close the Account.
32. At 3:21PM ET on March 26, 2020, Chain Bridge sent to JPMC a Fedwire message bearing the Fedwire “Type/Subtype Code” “1002.”
33. At 3:26PM ET on March 26, 2020, Chain Bridge closed the Account.
34. No later than 4:02PM ET on March 26, 2020, JPMC returned the Wire Transfer to California’s account at JPMC.
35. Blue Flame did not complete the sale and delivery of 100 million N95 masks to California for \$609,161,000 (including shipping costs and taxes).

Dated: April 15, 2021

Respectfully submitted,

/s/ Peter H. White

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**CERTIFICATE OF SERVICE**

I hereby certify that on this 15<sup>th</sup> day of April, 2021, I caused the foregoing document to be filed and served electronically using the Court's CM/ECF system, which automatically sent a notice of electronic filing to all counsel of record.

Dated: April 15, 2021

/s/ Peter H. White

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